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National Intelligence Daily Cable for Wednesday, 7 June 1978 The NID Cable is for the purpose of informing 25X1 senior US officials. CONTENTS Page 1 Nujoma-Kaunda-Neto Talks NAMIBIA: Page 1 IRAN: Shah Removes SAVAK Chief ZAIRE: Mine Damage Assessment Page 2 25X1 NIGERIA: Political Maneuvering Page 4 LESOTHO: First Official Cuban Visit Page 5 USSR-VIETNAM: Pravda Accusation Page 6 Page 7 USSR-CZECHOSLOVAKIA: Brezhnev Visit 25X1 25X1 Page 9 USSR: Role in World Enrichment POLAND: Slow Meat Price Increase Page 10 GUYANA: Pre-Election Violence Page 11 BRAZIL: Opposition to Figueiredo Page 12 LAW OF THE SEA: Progress in Talks Page 14 BRIEFS Page 15 25X1 USSR-China Bangladesh

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NAMIBIA: Nujoma-Kaunda-Neto Talks	
Angolan President Neto, Zambian President Kaunda, and Sam Nujoma, the leader of the South-West Africa People's Organization, met in eastern Angola last weekend to discuss the Namibian situation. Kaunda says that Nujoma is "keen" to reopen negotiations with the Western contact group and that he now is satisfied with the Western position regarding Walvis Bay. Nujoma has misled Kaunda in the past, however, and there are no indications SWAPO has decided to revise its position on other issues.	25X1
Kaunda says he and Neto held extensive discussions with Nujoma over the weekend and that, throughout the session, Neto agreed with the Zambian point of view.	
Although Nujoma expressed "complete satisfaction" with the commitment the US has agreed to make on Walvis Bay, he made no firm commitments with regard to other points of disagreement in the Namibian negotiations. Kaunda, with Neto's support, had urged Nujoma specifically to accept the stationing of South African troops at two bases in northern Namibia and to allow the UN Secretary General to specify the actual number of UN troops sent to Namibia.	

IRAN: Shah Removes SAVAK Chief

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Nematollah Nasiri from his post as chief of Iran's National Intelligence and Security Organization-SAVAK--was probably intended as a gesture by the Shah to placate conservative religious dissidents who have staged a series of violent country-wide demonstrations this year.//

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25X1 25X1	while not a personal rebuke, may be viewed by some of the Shah's opponents as the signal for change to a newpresumably less repressivesystem. The Shah has used changes at high levels of government in the past to convey similar messages to the opposition. Despite any change at the top, the security forces can be expected to continue using as much force as is required to quell civil disturbances.//	
25X1	//Nasiri now becomes Ambassador to Pakistan, a post the Shah considers sensitive in view of continuing political uncertainty in Islamabad.//	
25X1	//General Nasir Moqadam, Nasiri's successor, is currently intelligence chief of the joint chiefs of staff and served from 1963 to 1972 as chief of SAVAK's internal security department.	25X
	ZAIRE: Mine Damage Assessment	
25X1	Damage to the copper and cobalt facilities at Kolwezi, Zaire, may not be as severe as earlier reports indicated.	
25X1	Contrary to many press and refugee reports, the rebels did not damage the mines or refining facilities, although flooding did occur at a major mine after workers and technicians fled the area. Repairs of flood damage and resumption of limited mining operations may be under way in a few days.	
25X1	Despite optimistic claims by Zairian officials that the mines are now operating, however, we believe normal operations cannot be resumed for at least two months, and then only with the aid of foreign technicians. We estimate that 200 to 400 foreign technicians will be required to restore full-scale output at the refining facilities. Security in the area is regarded as crucial to the return of Belgian and other foreign technicians.	

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NIGERIA: Political Maneuvering

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Monday by its chairman, who declared that the body had finished reviewing the country's draft constitution. His action has been labeled high-handed and undemocratic by nearly one-third of the assembly's members, including important northern Muslims who apparently hoped to reopen their controversial proposal--rejected by non-Muslims in April--for an Islamic court of appeals. Unless serious controversy ensues over the chairman's action, however, Nigeria's military leaders seem prepared to permit the resumption of open politicking and the formation of political parties beginning in July, three months ahead of schedule. The public mood about the prospects for civilian rule has turned gloomy, but this has not weakened the desire of civilian politicians to achieve power next year.

The assembly chairman apparently acted to prevent members from trying to reopen contentious issues. The Muslim delegates had been lobbying for reopening the Islamic court issue but were prepared to shelve the matter until after a civilian legislature was established in 1979 if they could not muster enough votes to win a floor fight. After a certain amount of rhetoric, they may simply accept the defeat of their proposal because of their desire to get on with the political process.

The court issue has created tension between Muslims and the Christian minority in the north, but political leaders there are counseling moderation and attempting to dispel rumors that could spark communal unrest. Before the assembly was adjourned, the US Consulate in Kaduna did not believe that tension had reached a flash point.

//The government's next step will be to ratify the draft constitution. It may alter the draft to comply with current military decrees and could, for example, reject a provision that would legally overturn the regime's recent controversial land nationalization decree.//

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25X1	//The US Embassy reports that a federal electoral official has confirmed recent reports that the government would lift the ban on politics before the scheduled date in October if the constituent assembly finished its work early.	25X1
	Aspiring politicians, anticipating the early legalization of politicking, are increasing their behind-the-scenes activity.//	
25X1	//Five separate elections at three-week intervals could begin next April culminating in the presidential election. It is unclear whether the government will also advance the turnover of power to civilians, now set for October 1979.//	
25X1	Although the informed public was highly optimistic a year ago about a return to civilian rule, the Islamic court squabble, coupled with recent student unrest and popular discontent over economic issues, have engendered a gloomy public view of prospects for responsible politics under civilian rule. Many fear the deep ethnic and cultural divisions that beset Nigeria's first civilian government will reemerge, perhaps in a more explosive combination with tensions caused by chaotic and uneven economic development and inflation.	
25X1	To some extent, these uncertainties have damaged the civilian elite's confidence in its ability to govern. This pessimism, however, has not yet weakened the desire of this elite to achieve power in 1979.]25X1
	LESOTHO: First Official Cuban Visit	_
25X1 -	Cuba has sent its first official delegation to Lesotho in an apparent attempt to establish diplomatic relations. A five-man team from the Cuban Embassy in Mozambique, headed by the Ambassador, recently concluded a five-day visit to the capital. A Lesotho official said the visit had been arranged on Cuban initiative in order to explore the possibility of an increased relationship.	
25X1	Lesotho, surrounded by and totally dependent on South Africa, has been seeking ways to loosen the South African stranglehold. The government has asked for financial help from Western and Arab countries and has selectively and cautiously approached several Communist countries for development assistance.	

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25X1	The conservative, western-oriented government of Prime Minister Jonathan may calculate that receiving the Cubans will broaden his internal political base and appeal to some of the young radicals in the government and in the country's university. He may also view the visit as an irritant to South Africa-he has been an outspoken critic of apartheidand hope it will enhance his image with nonaligned and radical African states.
25X1	Given the current level of Cuban involvement in African affairs and the resulting widespread controversy, Lesotho would probably be reluctant to establish relations with Cuba
25X1	now.
	USSR-VIETNAM: Pravda Accusation
25X1	The USSR is continuing to support Vietnam in its border struggle with Cambodia as it tries to aggravate Sino-Vietnamese tensions. For some time, the Soviets have argued that Peking uses overseas Chinese as an excuse to meddle in the internal affairs of other states.
25X1	In a rather long and discursive article on 1 June, $ravda$ accused China of supporting Cambodia and using the overseas Chinese issue to "undermine Vietnam's influence." According to $Pravda$, Hanoi's problem with the Chinese grew out of its legitimate efforts to transform itself into a socialist state.
25X1	These efforts antagonized many members of the Chinese community in southern Vietnam, who in Pravda's view had comprised a large part of the "big bourgeoisie" under the previous Saigon regime. In what it labeled an "open and rude display of great power hegemonism," Pravda asserted that Peking was playing on the "class hatred" of the people and encouraging them to leave Vietnam in order to weaken the Vietnamese economy. Similar arguments were made on a Soviet radio program on Sunday.
25X1	Moscow's position on the ethnic Chinese in Vietnam is but the latest indication of Soviet support for Hanoi. Vietnam is the cornerstone of Soviet policy in Southeast Asia, and the Soviets have long seen Hanoi as the logical balance to Peking in the region.
25X1	Since the break in relations between Cambodia and Vietnam in January, the Soviets have consistently echoed the Vietnamese position and, although Moscow would probably prefer

a peaceful settlement to the Vietnamese-Cambodian dispute as quickly as possible, it has not resisted the temptation to use this situation and the problem of overseas Chinese as an opportunity to fuel the Sino-Vietnamese conflict.	25X1
USSR-CZECHOSLOVAKIA: Brezhnev Visit Soviet party leader Brezhnev used his visit to Prague last week to reaffirm Moscow's confidence in the leadership of Czechoslovak party chief Husak. Speeches by Brezhnev and Husak also reaffirmed the "correctness" of the Soviet-led invasion of Czechoslovakia in August 1968.	
Throughout the visit, Brezhnev's first in five years to Czechoslovakia, the Soviet leader clearly and consistently signaled his confidence in Husak's style and policies. Brezhnev also accorded warm words to Vasil Bilak, a leading Czechoslovak party secretary often cited as a Husak rival, but the Soviet leader's paramount message was that Husak is preeminent in Moscow's eyes.	
The Brezhnev visit and the rhetoric surrounding it were also apparently intended as a propaganda strike against Czechoslovak dissidents and against foreign press recollections of the forcible dismantling a decade ago of the Dubcek regime. The tone of public statements and local commentary praising the 1968 intervention was far more laudatory than in recent years. In the economic sphere, the joint declaration summarizing the talks did not reveal any major new agreements.	
By the time the Brezhnev visit ended, the Soviet leader showed some signs of fatigue. At his reception of the diplomatic corps on 2 June, Brezhnev's face appeared puffy, he looked tired, and his speech was quite slurred.	25X1
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	richment plants on stream by the early 1980s. These two consortiums will be able to provide about 60 percent of the uranium enrichment services required by Euratom from 1980 to 1985.
25X1	The considerably enlarged Western enrichment capacity projected for the next few years will also reduce Soviet opportunities for contracts in non-Western markets. In April, Eurodif reportedly offered to perform additional uranium enrichment services for Japan from 1980 to 1985business the Soviets also keenly desire.
	POLAND: Slow Meat Price Increase
25X1	Poland has raised meat prices in what appears to be a policy of selectively and gradually increasing the prices of consumer goods. The increase was not announced in advance, presumably to avoid the situation of two years ago when the public announcement of drastic price increases on basic foods caused widespread disturbances and several riots.
25X1	//On 1 June, meat prices in "commercial" shops were raised about 20 percent, while those in "ordinary" shops remained unchanged. The commercial shops, opened after the abortive attempt to raise meat prices in June 1976, offer a better selection and higher quality meats at double the "frozen" prices of the ordinary butcher shops. Their share of total sales is small but is increasing. Now numbering about 150 throughout the country, they at times have the only meat on the retail market in some locations.//
25X1	//Meanwhile, meat prices in the free market, which accounts for about 10 percent of all sales, continue to be significantly above the frozen prices in the state-owned ordinary shops, reflecting increased pressure in supply.//
25X1	//Rumors circulated in Warsaw last weekend that meat pricesas well as coffee and tea pricesin the ordinary shops would be raised to the level in the commercial shops. Polish economic officials, however, implied that price boosts on meat would be restricted for the time being to the commercial shops.//
25X1	//Last month, a government economic official claimed that meat pricespresumably in the ordinary storescould not be raised for one to two years. On 1 June, a

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Central Committee economist stated that the government "would definitely not" try to raise meat prices in one step but that gradual increases in food prices—5 to 10 percent a year beginning in early 1980—would allow it to satisfy demand for meat by about 1985.//

According to a spokesman from the Ministry of Internal Trade, the price hike is aimed at "meat swindlers" who buy up meat from the commercial shops and sell it on the black market to high-income consumers who do not want to wait in line. Whatever the reason the Poles give for their actions, it is clear that prices at all retail outlets are gradually going up. The price increase on meat came within days of an average 25-percent hike in alcoholic beverage prices, explained as an attempt to curb alcoholism.

In March, Warsaw boosted prices for gasoline and other oil products by an average 20 percent, citing conservation measures and higher prices for imported oil as the reason. Other goods also have been "repackaged" in smaller quantities but are selling at the same prices. So far, the Poles apparently have accepted these changes with no more than the usual amount of grumbling.

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GUYANA: Pre-Election Violence

An attempt by Guyanese Prime Minister Forbes Burnham to circumvent a required election could provoke violence. Faced with growing discontent because of the country's severe economic downturn, Burnham is trying to outmaneuver his opponents by engineering a revision of the constitution that would formally entrench his ruling party.

guyana's worst economic tailspin in Burnham's 13year rule is threatening to bring down his government in an election that must be held by October. The population has been demoralized by crippling power shortages and by harsh austerity measures that have aggravated chronic shortages of basic commodities and worsened unemployment. Of late, the exodus of those able to leave--especially professional and technical personnel--has picked up significantly.

Burnham has responded by announcing a bold new fouryear economic program and by setting in motion a political scheme that would open the way for a one-party state. In April, Burnham's parliamentary majority rammed through a proposed law that would permit his legislative bloc to make future consti-

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required referendu	to implement the law is a simple majority in a single a, now scheduled for 10 July.
sition le proposal, of a larg sition is	In an open vote, the referendum would be in serious Guyana's East Indian majoritymostly loyal to oppoder Cheddi Jaganhas every reason to oppose Burnham' and Jagan-controlled unions would also sway the vote chunk of organized labor. In addition, strong opposexpected from the Catholic Church and from the legal which is already seeking international censure of effort.
to take h	//The Prime Minister, however, is not likely schances in an honest vote. Burnhamwhose loyal supporters
prepared necessary Burnham r	government bureaucracy and the security forcesis to rig the proxy and the overseas votes and, if confiscate ballot boxes. In the last two elections, esorted to extensive vote padding to help his black defeat Jagan's East Indian majority.//
probably Jagan-led	//There is a growing potential for violence riod leading up to the referendum. Armed thugs, from the ruling party's youth wing, have attacked a protest rally in the capital. For its part, the a opposition is becoming increasingly militant.
BRAZIL: O	pposition to Figueiredo
ternal di The dissi candidacy	Civilian and military dissidents in Brazil continue undermine president-designate Figueiredo despite inferences and government moves to blunt their impact. Hents still appear unlikely to derail Figueiredo's President Geisel and the high command appear untut their very existence is a source of concern to
the gover	//In the most daring move yet, politicians of mment party in Sao Paulo State nominated their own rial candidate on Sunday to take on the man designated

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prestige in particular, because he had lobbied hard for the of- ficial candidate. The Sao Paulo politicians were outraged be- cause national leaders had disregarded local political sensi- tivities in making the selection.
//The boldness of the Sao Paulo politicians may provide added impetus for the larger effort to challenge the candidacy of Figueiredo himself. This effort, under way for a number of weeks, involves civilian politicians anxious for rapid liberalization, military officers who sympathize with this desire, and military men who oppose Figueiredo for personal or other reasons. There has been considerable speculation that these dissidents aim to nominate a presidential candidate-probably retired General Euler Bentes Monteiroto run under the banner of the nominal opposition party.//
//The dissidents, however, face formidable obstacles. The opposition party, for example, appears fearful of formally endorsing the dissidents' plan. The party held a convention last week but, contrary to expectations, failed to name a candidate, merely reiterating its usual call for political reforms.//
From the outset, the regime has kept a close watch on the dissidents and has now responded in several ways. General Bethlem, the Army Minister, for instance, has been passing the word to the officers that there are limits to the amount of politicking that will be tolerated among them. Backing up its warning, the government abruptly transferred to remote posts two chief aides to General Hugo Abreu, who is the most prominent of the dissidents.
The government also almost certainly inspired a recent editorial in a leading daily that attacked Euler's alleged statist views as imperiling Brazil's economic progress as Well

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at the dissidents--may nonetheless tend to weaken their position. The regime, for example, took a conciliatory approach

Other government actions -- not necessarily directed

as its prospects for democratization.

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toward the recent massive strike by Sao Paulo workers demanding higher wages. In addition, a leading progovernment senator has hinted that political and legal reforms other than those now in train may be forthcoming. //The regime has already announced it will substantially alter the sweeping decree law that gives it dictatorial powers and has said it will restore habeas corpus in many political cases. Geisel himself has engaged in a bit of political "stumping" in Recife, where he went to dedicate a new public works project.// //In any case, the dissidents are determined to press the issue and, at the very least, will make life difficult for the regime in the coming months. A former Geisel cabinet minister now in the forefront of the dissident movement insists that an alternative military candidate backed by the opposition party is inevitable.//]//Abreu, although apparently less optimistic about the chances for eventual success in blocking Figueiredo, promises to cause the government "many sleepless nights" by con-25X1 tinuing to agitate. Indeed, the dissidents have already complicated the presidential transition process in a way that is unprecedented in the regime's 14-year history.// LAW OF THE SEA: Progress in Talks There was encouraging progress on outstanding lawof-the-sea issues at the recently recessed seventh United Nations conference session in Geneva. The ultimate outcome, however, depends on an unprecedented four-week extension, which will begin in New York on 21 August. The last-minute decision to reconvene the talks after a two-month recess underscores the spirit of accommodation that finally prevailed at Geneva after much procedural wrangling. Seven negotiating groups were formed at Geneva to discuss key problem areas, three of which involved aspects of deep seabed mining--the most complicated and controversial issue at the conference. The negotiators were able better to

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accommodate the exploration and exploitation of seabed mineral resources by both state and private parties as well as by the projected international seabed authority, but could not resolve the composition and voting arrangements of the latter authority.

25X1 [*]	The industrialized and developing nations differ in their concept of a seabed authority—its makeup and powers, and the scope of its overall powers to regulate future seabed mining. The industrialized states want to encourage commercial exploitation of seabed mineral resources—chiefly nickel, copper, cobalt, and manganese—by ensuring access and investment under	
	an equitable regulatory system. The developing states view the authority more as a symbol of and precedent for the concept of a new international economic order.	
25X1	Land-based producers of minerals that are also exploitable through seabed mining are concerned that such mining would upset world markets. The land-based producers want some kind of production controls linked to estimated rates of increase in world demand.	
25X1	One of the most noteworthy achievements of the recessed session involved the right of access of landlocked and geographically disadvantaged states to surplus fish in the 200-mile exclusive economic zones of neighboring coastal states. The group of 53 landlocked and disadvantaged states accounts for about a third of the countries participating in the conference.	
25X1	Attempts to revise existing texts to assure greater freedom of marine scientific research failed; but the coincident Amoco Cadiz oil spill off the coast of France increased support for antipollution measures.	
25X1	If the August session does not resolve many of the remaining problems, it will be difficult to prevent splinter groups from reopening a significant number of issues on which consensus has already been reached.	25X
	BRIEFS	
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	//Radio Peking announced yesterday that Soviet Ambassador to China Tolstikov, who has been in Peking since 1970, will soon be leaving his post. Tolstikov has been making farewell calls in the Peking diplomatic community for several weeks, but Moscow has thus far not officially acknowledged his imminent departure. No information is available at this time on the reason for Tolstikov's recall, which may be a routine reassignment for the former Leningrad party official.	25X1
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Bangladesh

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Bangladesh's Foreign Secretary has gone to Rangoon to begin talks aimed at resolving the dispute over some 200,000 Muslim refugees who have fled from western Burma to

Bangladesh. Dacca asserts that the exodus, which began in March, was caused by Burmese persecution of the Muslim minority. Burma maintains that the refugees are mostly illegal aliens who took refuge in the face of a campaign to check for valid Burmese identity cards.

The issue simmered during Bangladesh's presidential election campaign, but President Ziaur Rahman's landslide victory on Saturday now permits him to concentrate on the refugee problem. On Monday, Zia stated that Burma must take back more than 165,000 of the refugees. The dispatch of the Bangladeshi Foreign Secretary to Rangoon is a move in the direction of an eventual settlement, but the tough public positions of the two governments will probably make progress slow and difficult.

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